

Agenda item 7

For decision - To decide on Cllrs and the Chair's allowance

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Summary

This report proposes to increase the Cllrs allowance to £1291 for 2025/26. It considers the new role of the Chair of the Council and the legal advice available and proposes that Cllrs agree an enhanced Chair's allowance.

Background

At the meeting in January 2023, for the first time, Council agreed to award Cllrs allowances. The first allowances were made available to Cllrs for the financial year 2023/24 at a rate of £1240 pa (approximately 8% of the allowance made available to the SC Cllrs) and in line with the recommendation of the Somerset Parish Remuneration Panel. [The panel's advice is at Appendix 7.1, which can be viewed on the website here.](#)

Here is the link to FTC's website showing which Cllrs have claimed the Cllr allowance in 2023/24 and 2024/25. <https://www.frometowncouncil.gov.uk/wp-content/uploads/2025/02/Councillors-allowances-expenses-and-training-2023-24-and-2024-25.pdf>

The main driver in agreeing to make Cllrs allowances available was to improve equity by reducing the financial barrier that potential Cllrs might worry about in standing for election. Reducing inequity means that more people from a broader demographic can put themselves forward to be Cllrs, which must be good for local democracy.

Discussion

To keep up with inflation, it is proposed to increase FTC's Cllr allowance for 2025/26 to 8% of Somerset Council Cllr's allowance. This equates to £1,291.

Cllrs are also concerned that the amount of time needed to perform the role of the Chair of the Council that now incorporates the previous role of Leader is a barrier, particularly for those Cllrs who work. This means that the number of Cllrs able to stand for these roles is restricted to those who perhaps do not work full time or are retired.

To enable as many Cllrs as possible to consider standing for election of Chair, allowances have been investigated again. While it is unlawful to pay an enhanced allowance to the Leader of the Council, the Chair of the Council is able to receive an enhanced allowance and FTC does currently make allowance an additional allowance of £595 pa to the Chair.

"The chairman's allowance is designed to defray the expenses of the chairmanship itself" ...

"In considering the amount, the council may wish to consider what (the chair) should

reasonably be expected to do (outside the Council Chamber). The duties... usually amount to regular communication with the clerk and committee chairmen... The cost of this often mounts up but can be estimated.” *Charles Arnold-Baker, Local Council Administration (2022)*

Now that Council has agreed, earlier on this agenda, to merge the role of Chair and Leader and delegate civic duties to the deputy Chair, Cllrs need to agree the amount of the Chair’s allowance.

The Somerset Parish Remuneration Panel recommends a chair’s allowance of double the Cllrs allowance – currently that would be £2480.

Well respected law firm and advisors to local government Bevan Brittan were asked for a legal opinion about this and their draft advice is, *“The Council does not have to accept the decision of the Remuneration Panel but it does need to have regard to the panel’s recommendation in deciding to increase the Chair’s allowance. In not accepting the recommendation, the Council would need to provide reasons for this to demonstrate their considerations of the recommendations in a manner consistent with public law principles e.g. demonstrating relevant considerations taking into account when reaching this decision. Failure to do this would likely lead to poor publicity and potentially the decision being challenged.”*

Relevant considerations - Reasons not to set the chair’s allowance in line with the Somerset Parish Remuneration Panel’s recommendation.

Excluded from Arnold-Baker’s advice is the role that the Chair in communicating with other Cllrs beyond committee chairs so this needs to be taken into consideration. It can be argued too that the spirit of the Local Government Act written in 1972 and the advice from Arnold-Baker was based on parish councils with a limited role, not that of large town councils whose ambition is broad, whose programme of work is complex and, for FTC, is matched by an expenditure budget in excess of £3.5m. In short, the role of the Chair of FTC is demanding and time consuming and far greater than the role in 1972. It is estimated that the Chair would need to allocate on average 20 hours a week to fulfil the role.

Legislation is clear that Cllrs cannot be employed by their Council and an allowance cannot and must not be considered a salary. While Arnold-Baker says, “The chairman’s allowance is designed to defray the expenses of the chairmanship itself”, there is no guidance available as to how to calculate those expenses other than “the cost of this often mounts up but can be estimated.”

All Cllr allowances are taxed as income but, because it is an allowance and not a salary, there would be no pension contributions. When the 2025/26 budget was agreed in January, an enhanced Chair’s allowance was not included so Cllrs would need to approve that the Chair’s allowance to come from the General Reserve.

Cllrs need to consider a reasonable Chairs allowance. It has been suggested that £15,000 pa would be a reasonable amount considering the extent of the duties to be carried out by the Chair.

Recommendations

1. Set the Cllr's allowance for 2025/26 at £1,291
2. Set the Chair of the Council's allowance for 2025/26 to be drawn from the General Reserve.